

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Tennessee

REASONABLE LIMITS ON AMOUNTS FOR NECESSARY MEDICAL
OR REMEDIAL CARE NOT COVERED UNDER MEDICAID

Methodology Used for Deduction of Incurred Expenses for Necessary Medical or
Remedial Care for Institutionalized Persons in the Post-Eligibility
Application of Income.

- (1) Deductions for Medicare and other health insurance premiums, deductibles,
and coinsurance charges not subject to payment by a third party -

There is no limit on the number of insurance policies nor the amount of
premiums that are deductible from the recipient's income.

- (2) Deductions for non-covered medical/remedial care expenses -

- (A) Deductions for payment of the following types of expenses, which
includes services not covered by Medicaid and those that exceed the
Medicaid service limitations, are allowed:

- Acupuncture Services
- Bed Hold at a Long Term Care Facility (This is at the Medicaid
intermediate care per diem rate, not the private pay rate.
There is no provision for bed-hold in skilled care)
- Dental Expenses
- Doctors Fees
- Prescription Drugs (over the 7 a month covered by Medicaid)
- Guide Dogs
- Hospital Charges
- Nursing Services
- Organ Transplant Expenses
- Prosthetic Devices
- Psychiatric Care
- Special Education for Handicapped
- Special Equipment
- Substance Abuse Treatment
- Transportation Essential to Medical Care

There are no limits on the number of units of service nor on the dollar
amounts for the above services.

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- (B) Medical/remedial care expenses for services included in the State Plan but which exceed the amount, duration and scope limitations are allowable deductions.
 - (C) Expenses for necessary medical care not included in the State Plan are allowable deductions.
 - (D) Allowable non-covered medical/remedial care expenses include those from a period of eligibility, as well as those from a period of known or undetermined ineligibility, which are not subject to payment by a third party and are still considered collectible from the recipient.
 - (E) Incurred medical expenses provided by a provider who does not accept Medicaid are allowable deductions.
 - (F) Medical expenses that are "cost items" to a Long Term Care Facility (i.e. items furnished by a facility and included in their cost report used in determining the facility's Medicaid per diem rate) are not allowable deductions from a recipient's income. However, if because of medical necessity, the recipient's physician prescribes a non-legend drug that is not stocked by the facility as a "cost item", this expense is an allowable deduction.
- (3) The monthly deduction for allowable non-covered medical/remedial care expenses is based on actual incurred expenses from the previous quarter(s) plus expected regular recurring medical expenses, such as health insurance premiums, in the prospective quarter. The prospective period is limited to three months. Taken into account in this calculation are:
- (a) any remaining portion of reported non-covered medical expenses not previously counted due to insufficient income from which to deduct the expenses in the quarterly calculation. This would increase the amount of the deduction by allowing an expense to be deducted over more than one quarter.

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- (b) expenses incurred prior to the quarter under consideration which are considered collectible regardless of date incurred and for which the recipient has a repayment schedule or intent to repay during the projected quarter or subsequent quarters if a repayment schedule is in effect.

An adjustment to actual is made at the end of each projected quarter and when significant changes occur, such as death of the recipient and discharge of the recipient from nursing care.

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